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South Africa, Republic of

Canned Deciduous Fruit

Semi-Annual

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Report Highlights:

South Africa's total MY 2003 canned deciduous fruit production is expected at about 165,500 MT, an increase of 23% from last year because of good rains and favorable weather patterns. Flooding in late 2002 had a minimal impact on fruit production.

Exports for MY 2003 are expected to rise by 5% because of increased production and improved market access. Domestic consumption remains unchanged.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
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Executive Summary

South Africa's total MY 2003 canned deciduous fruit production is expected to reach 165,500 MT, a 23% increase from last year because of favorable weather patterns. Although the quantity of fresh apricot intakes was lower, canned production is estimated about the same as last year because of good quality fruit used.

The actual MY2003 fresh fruit sent for processing (peaches, pears, and apricots) amounted to 251,000 MT, an increase of 16% from 2002. MY 2003's fresh fruit delivered for processing included 35,127 MT of apricots, 149,866 MT of peaches and 66,749 MT of pears.

Exports of canned fruit in MY2003 are expected to grow by 5%. Canned peaches, the major canned fruit annually exported, is expected to increase by 30% to an amount of 80,000 MT.

NB: The MY 2003 figures are attache estimates. The industry official estimates are not available at this time.

Production

Canned fruit production in MY2003 benefitted from the right combination of abundant rainfall and favorable weather during the growing season. The Western Cape experienced flooding near the end of the 2002 growing season . However, fruit farmers report damage to be minimal. Areas most affected by storms and floods are Montague, Robertson and Ashton, mainly known for apricots, peach and grape farming. Though these areas and Ceres were hardest hit by storms and floods, there were apparently no reports of severe damage in surrounding areas such as Villiersdorp, Grabouw and Elgin.

South Africa's fruit canning industry is the fourth largest in the world. The domestic industry is made up of four main canners, Langerberg foods, Sapco of Delmonte Brand, Ashton, and Rhodes Fruit Farm Foods. Exports account for 90% of all canned fruit production, 50% of which goes to Europe. According to the Canning Fruit Producer's Association (CFPA), the canning fruit market is growing only slightly each year.

Except for peaches, not all of South Africa's deliveries for processing are used for canning. Depending on the quality, fruits are also processed for juice, or pureed as pulp and baby food.

The following table shows the quantity of fresh fruit sent for processing over a period of five years:-

Fruit Type (canned, juice&pulp)	1998/9	1999/2000	2000/2001	2001/2002	2002/3
Bulida type Apricots	47,232	38,708	45,878	41,310	35,127
Clingstone peaches	116,533	107,026	113,899	116,619	149,866
Bon Chretien pears	52,674	58,776	56,108	57,637	66,749

Source: Canning Fruit Producers' Association.

Production, Canned Peaches

PSD Table						
Country	South Africa, Republic of					
Commodity	Canned Peaches				(MT)(MT, Net Weight)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		01/2002		01/2003		01/2004
Deliv. To Processors	117000	116619	117000	149866	0	150000
Beginning Stocks	18540	45200	17400	30982	20400	25932
Production	60810	61313	85000	80000	0	80000
Imports	250	250	250	250	0	250
TOTAL SUPPLY	79600	106763	102650	111232	20400	106182
Exports	50000	63581	70000	73000	0	73000
Domestic Consumption	12200	12200	12250	12300	0	12300
Ending Stocks	17400	30982	20400	25932	0	20882
TOTAL DISTRIBUTION	79600	106763	102650	111232	0	106182

South Africa's MY2003 fresh peaches sent for processing had a significant increase of about 30% from last season because of good rains and favorable temperatures.

Trade, Canned Peaches

Export Trade Matrix			
Country	South Africa, Republic of		
Commodity	Canned Peaches		
Time period	Jan-Dec	Units:	Tons
Exports for:	2001		2002
U.S.	7,737	U.S.	8,621
Others		Others	
Japan	13,001	Japan	15,005
Netherlands	7,877	Netherlands	4,935
Hong Kong	4,207	Germany	4,909
Germany	4,045	HongKong	4,463
Switzerland	2,985	United Kingdom	3,519
Canada	1,963	Switzerland	3,480
Taiwan	1,625	Canada	3,353
United Kingdom	1,610	Korea,South	2,080
Korea,South	1,555	Taiwan	1,501
Austria	1,229	Austria	1,335
Total for Others	40097		44580
Others not Listed	7,185		10,380
Grand Total	55019		63581

source: Dept of Customs & Excise

Production, Canned Pears

PSD Table						
Country	South Africa, Republic of					
Commodity	Canned Pears				(MT)(MT, Net Weight)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		01/2002		01/2003		01/2004
Deliv. To Processors	58000	57637	90000	66749	0	70000
Beginning Stocks	7986	8849	4504	1062	3934	1862
Production	17768	21475	22700	28000	0	30000
Imports	0	0	0	0	0	0
TOTAL SUPPLY	25754	30324	27204	29062	3934	31862
Exports	19000	27062	21000	25000	0	25000
Domestic Consumption	2250	2200	2270	2200	0	2800
Ending Stocks	4504	1062	3934	1862	0	4062
TOTAL DISTRIBUTION	25754	30324	27204	29062	0	31862

MY 2003's fresh pears for processing reached a total of about 66,700 MT, 16% increase from the 2002 deliveries, because of favorable conditions. Canned pear production is therefore expected to increase by around 30% from last year. Despite increased output, canned pear exports are expected to decline significantly in CY2003 as a result of lower stock levels at the beginning of the season.

Trade, Canned Pears

Export Trade Matrix			
Country	South Africa, Republic of		
Commodity	Canned Pears		
Time period	Jan-Dec	Units:	Tons
Exports for:	2001		2002
U.S.	3,847	U.S.	5,373
Others		Others	
Japan	3,555	Japan	3,491
United Kingdom	3,153	United Kingdom	3,344
Switzerland	2,163	Germany	2,751
Germany	2,033	Switzerland	2,163
Canada	1,010	Belgium	1,987
Belgium	843	Netherlands	1,444
Austria	824	Canada	1,227
France	484	Greece	842
Netherlands	415	France	664
Greece	390	Austria	491
Total for Others	14870		18404
Others not Listed	1986		3,285
Grand Total	20703		27062

source: Dept. of Customs & Excise

Production, Canned Apricots

PSD Table						
Country	South Africa, Republic of					
Commodity	Canned Apricots				(MT)(MT, Net Weight)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		01/2002		01/2003		01/2004
Deliv. To Processors	41310	41310	43800	35127	0	45000
Beginning Stocks	8500	14794	2480	8442	1680	1942
Production	22480	22586	35000	22500	0	29000
Imports	0	0	0	0	0	0
TOTAL SUPPLY	30980	37380	37480	30942	1680	30942
Exports	23500	23938	30000	24000	0	24000
Domestic Consumption	5000	5000	5800	5000	0	5100
Ending Stocks	2480	8442	1680	1942	0	1842
TOTAL DISTRIBUTION	30980	37380	37480	30942	0	30942

South Africa's MY 2003 deliveries of fresh apricots decreased by 15% to reach 35,100 MT. However, production of canned apricots is estimated to have remained more or less unchanged last year because of the good quality of fruit sent for processing, resulting from favorable weather conditions.

Trade, Canned Apricots

Export Trade Matrix			
Country	South Africa, Republic of		
Commodity	Canned Apricots		
Time period	Jan-Dec	Units:	Tons
Exports for:	2001		2002
U.S.	648	U.S.	537
Others		Others	
Germany	9,522	Germany	9,665
Netherlands	3,019	United Kingdom	2,375
United Kingdom	2,551	Netherlands	2,071
Japan	2,207	Japan	1,998
Belgium	1,323	Switzerland	1,477
Switzerland	1,057	Belgium	1,315
Austria	909	France	767
France	882	Austria	747
Australia	682	Italy	629
Italy	497	Israel	614

Total for Others	22649		21658
Others not Listed	1985		1743
Grand Total	25282		23938

Source: Dept. of Customs & Excise

MY 2003's exports for canned apricots are expected at the same as last year. In 2002, exports dropped by 6%.

Production, Canned Mixtures

PSD Table						
Country	South Africa, Republic of					
Commodity	Canned Mixtures			(MT)(MT, Net Weight)		
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		01/2002		01/2003		01/2004
Deliv. To Processors	24047	215566	218800	251742	0	265000
Beginning Stocks	5979	12403	3468	5609	3648	3789
Production	29609	29014	33000	34000	0	35000
Imports	80	80	80	80	0	80
TOTAL SUPPLY	35668	41497	36548	39689	3648	38869
Exports	28300	31988	29000	32000	0	32500
Domestic Consumption	3900	3900	3900	3900	0	3900
Ending Stocks	3468	5609	3648	3789	0	2469
TOTAL DISTRIBUTION	35668	41497	36548	39689	0	38869

MY 2003's fresh fruit delivered for processing grew by 36,000 MT from last year because of a good season. Canned mixture output is expected to increase 17% from 2002.

Trade, Canned Mixtures

Export Trade Matrix			
Country	South Africa, Republic of		
Commodity	Canned Mixtures		
Time period	Jan-Dec	Units:	Tons
Exports for:	2001		2002
U.S.	2,548	U.S.	1,355
Others		Others	
Japan	4,605	Japan	4,847
United Kingdom	2,739	United Kingdom	3,256
Switzerland	2,723	Canada	2,518
Austria	1,830	Switzerland	2,324

Singapore	1,746	Singapore	2,153
Canada	1,291	Germany	2,064
Belgium	1,203	Austria	1,863
Netherlands	1,191	Phillipines	1,357
Phillipines	846	Belgium	1,256
Lebanon	736	Lebanon	1,006
Total for Others	18910		22644
Others not Listed	6,512		7,989
Grand Total	27970		31988

Source: Dept. of Customs & Excise

MY 2003's export figures are expected to remain the same as last year because uncertainties in international markets. In 2002, total exports of deciduous canned mixtures increased by about 14% from a year earlier. The Far East is currently a good potential market for South Africa's deciduous canned fruit production.

Policy

In September 2000, the South African government published a document on the Standards and Requirements for exports of Canned Fruit, in the context of the Agricultural Product Standards Act, 1990(Act No.119 of 1990) which ensures that only fruit of the highest quality is used for canning, especially for apricots.

Marketing

South Africa's canned fruit exports to Europe are still important although sales to the Far East and the rest of the World are constantly rising as a result of South Africa's shift in marketing strategy from Europe to other regions. Under the SA/EU Trade Agreement, which became effective in January 2000, the South African canners have closely monitored their EU shipments to get the maximum possible benefit from their allocated tariff quota. There has also been close

liaison with government departments and the South African Revenue Service (SARS) regarding the management of the quotas. The 2003 tariff quotas to the EU are as follows,

- * canned pears, apricots and peaches - 43600 tons GW
- * canned mixed fruit (excluding tropical) - 19620 tons GW
- * canned mixed fruit (including tropical) - 2180 tons GW

About 20% of the quota is expected to be used by new entrants.

The South African Fruit and Vegetable Canners Association (SSFVCA) will carefully monitor canners usage of their permits and liaise with the National Department of Agriculture(NDA) to ensure optimum benefit from the quota.

South African canned fruit continues to benefit from duty-free treatment under the African Growth and Opportunity Act (AGOA).